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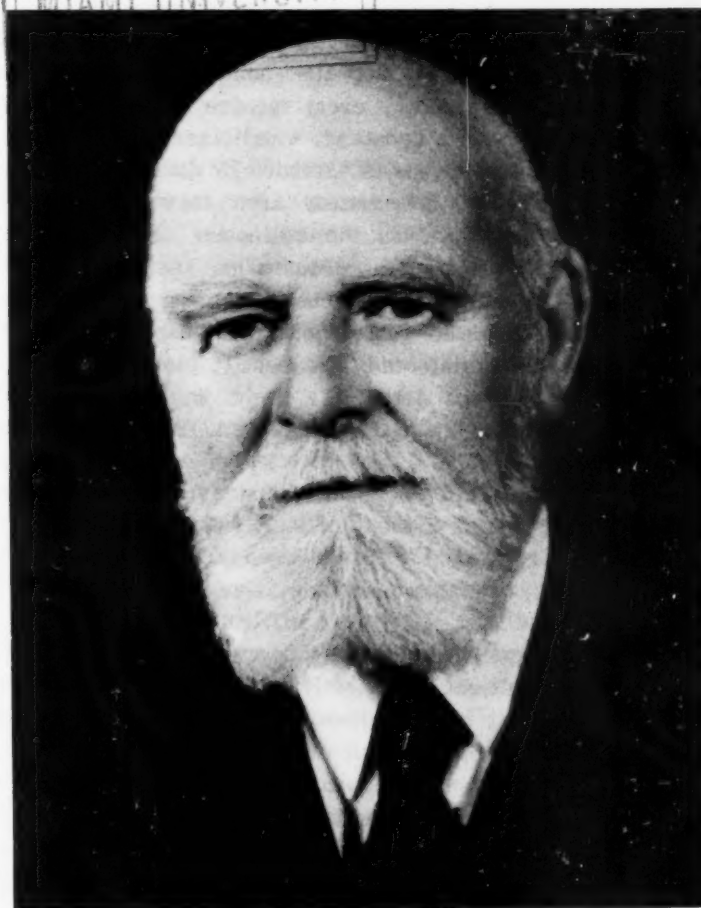
January 12, 1957

PRESIDENT THEODOR KOERNER DIES OF HEART ATTACK. Federal President Theodor Koerner died in his home on the afternoon of January 4. The Head of State, who succumbed to a heart attack, was 83 years old. The Austrian constitution provides for the Parliament to set the date for the election of the new President, whose inauguration terminates an interim period in which the Chancellor is the provisional Head of State.

Theodor Koerner, the successor of the late Karl Renner, was the second President of the second Austrian Republic. Having been elected on May 27, 1951, his current term would have ended on June 20 this year.

The son of an artillery major of the former Austro-Hungarian Imperial Army, he was born at Uj Szoenyi, Hungary, where his father was garrisoned, on April 24, 1873. Following his father's footsteps, he attended the Vienna Military Academy. An unusually capable young officer, he became a captain on the General Staff at the age of 26. During World War I, he rose to the rank of General. Unlike many less successful officers of that period, General Koerner, emerging from the bitterly contested Isonzo front a veteran of eleven hard-fought battles, abhorred war. A newly found interest in the social sciences led him to join the Social Democrats. In the first Austrian republic he took charge of the organization of the new republican defense force, later served on a parliamentary committee on military affairs. A delegate to the Upper House of the Austrian parliament, he was its last president before its dissolution by the Dollfuss regime in 1934; a leading Social Democrat, he was arrested and detained for eleven months, and again arrested in 1944, at that time by the Gestapo. Having refused all offers to serve in the German Wehrmacht, he lived in retirement during World War II, became Vienna's first mayor after the city's liberation in April 1945. Having led Vienna out of the destruction and despair wrought by the war, he was the logical successor to Karl Renner, "Father of the Republic" and twice its founder. A symbol of the nation's unity and continuity, Theodor Koerner was a President universally loved and respected. He has deserved well of his country.

U.N. TRIBUTE TO THEODOR KOERNER. On the afternoon of January 4, the United Nations Political Committee stood for a moment in silence as a tribute to the Austrian President, whose death was announced to the eighty-nation body by its chairman, V.A. Belaunde of Peru.



EISENHOWER: AMERICANS "DEEPLY MOVED" BY AUSTRIAN EFFORTS ON BEHALF OF REFUGEES. During his recent stay in Vienna, Vice President Nixon was received by the late President Koerner, to whom he handed a personal message from President Eisenhower, "The American people," the message read, "are deeply moved by Austria's efforts on behalf of Hungarian refugees." In his reply President Koerner expressed his appreciation of the American Vice President's personal visit to Austria. Messages were also exchanged between President Eisenhower and Chancellor Raab.

AUSTRIAN CONTRIBUTION TO REFUGEE-AID EXCEEDS 7.5 MILLION DOLLARS. By the end of last year, Austria had spent 7.5 million dollars in aid of Hungarian refugees. This sum does not include private donations, which also were substantial. A review of emergency measures taken to insure adequate care of refugees in spite of an influx that was hard

to handle at times, revealed the following picture:

At the beginning of January, the number of refugees from Hungary had exceeded 160,000. A country of only seven million population, Austria had to accomplish a tremendous task in making provision for this enormous number of exhausted and destitute people. The extent of the problems involved may be judged by the fact that within the 24-hour limit of a single day, November 23, the influx of refugees nearly totalled 9,000.

Most of the buildings speedily provided to accommodate refugees were not in adequate condition after their derequisition by the former occupation forces. In view of their deficiency in heating facilities, hundreds of stoves had to be installed quickly. Initially, refugees were billeted only provisionally but after a short time none of them had to rest any longer on bare straw; every refugee has by now been issued at least with a bedstead, a palliasse, and a blanket. Medical care in the camps is extended by doctors and nurses of the Red Cross. Immediately after their admission to camps, new arrivals from the collecting points near the border are given a medical examination. As regards sick, light cases are admitted to local infirmaries in the camps, while serious cases are routed onward to hospitals. Clothing and laundry are disinfected. Frequently, clothes and shoes have become useless during the flight. In such instances, clothes, underwear, and shoes are issued. Also, the refugees obtain toilet articles and pocket money.

Maintenance in the camps includes three meals, with rations corresponding to those of the Austrian Federal Army. Special diet is available for children and sick. As far as space permits, washing machines have been installed for laundering.

Every refugee is given the opportunity to inform either the camp management or the welfare workers of his wishes. Whenever possible such wishes are met. Contact is facilitated by the appointment of interpreters from among the refugees. In accordance with their knowledge and abilities, many refugees have been integrated into economic life in Austria. Central refugee records enable refugees separated from their families, relatives, or friends to make an attempt at tracing such missing persons in other camps.

Twenty European and overseas countries have declared their readiness to admit Hungarian refugees. Every day refugee transports leave Austria by rail and by air. By the beginning of January, 1957 it has been possible for about one half of the refugees granted asylum in Austria to be resettled in other countries.

In addition to the problems of accommodating, feeding, and clothing the refugees, the camps also face a number of psychological problems. Not all refugees were able to adapt themselves to a situation not permitting them to remain in Austria indefinitely until a change of conditions in Hungary might allow them to return home. To many refugees, emigration means a decisive step - not an easy one to take.

Life in camps gave rise to some sort of internment psychosis, which Austrian welfare personnel attending to refugee problems tried to help overcome. A variety of organizations offered facilities and services to arrange film

showings, theatre performances, cabaret entertainment, and concerts, and, weather permitting, outdoor sports have been organized in camps.

UN HIGH COMMISSIONER FOR REFUGEES VISITS VIENNA.

"I am completely enthusiastic about what I have seen in Austria," declared August R. Lindt of Switzerland, the newly appointed United Nations High Commissioner for Refugee Affairs shortly before his return to New York. "The people here have really made fantastic improvisations to cope with the tremendous refugee problem."

Lindt, like Vice-President Nixon, came to Vienna for the purpose of making an on-the-spot study of the situation. "The prevalent spirit in the Austrian refugee camps has none of grimness that can be detected in the other camps," Lindt said. The UN Commissioner's explanation for this situation is the zeal and friendliness shown by the Austrian authorities in administering the camps.

"The problem now is to proceed from the stage of improvisation to that of stabilization," Lindt declared. As of the end of December, there were 72,000 Hungarians in Austria. Up to that time, a total of 147,500 Hungarians had fled their country since the beginning of the disorders. Of this number, 75,500 have been able to proceed to other countries. "Austria must nevertheless count on giving shelter to a considerable percentage of the Hungarian refugees for some time yet," said Lindt, who also pointed out that, in the rush of events, there was danger that the refugees who fled earlier might be forgotten. He recalled that some 130,000 DPs who came to Austria during World War Two and the post-war period were still residing in the country. Many of them are justifiably asking why the refugees from Hungary are being granted immediate emigration opportunities, whereas the earlier groups of refugees have in some cases been waiting more than eleven years for the chance to emigrate.

AUSTRIAN REPRESENTATIVE ELECTED RAPPOREUR OF U.N. BODY. The Political Committee of the Eleventh General Assembly elected Austria's Permanent Representative to the U.N., Ambassador Franz Matsch, its rapporteur.

NEW BANKING AGREEMENT CURTAILS CREDIT IN AUSTRIA. Current efforts to counter increasing wage-price pressures have been proved successful and to assure continued stability the Ministry of Finance is now concluding additional agreements with the banking houses concerning the limitation on loans. According to these agreements, reserves for loans will be reduced to 50 per cent of the October 31, 1956, levels. In addition only 25 per cent instead of the previous 50 per cent of savings deposits are being allocated for loan purposes. These agreements will apply for a transition period. In the meantime, negotiations will get under way to ensure long-term agreement governing future credit policies.

AUSTRIA JOINS EUROPEAN ROLLING STOCK FINANCING COMPANY. At the recent constituent assembly of "EUROFIMA" (European Company for the Financing of Rolling Stock) in Basle, Switzerland, Austria was included among the 14 member states participating in the new organization. Austria's contribution to the capital of "EUROFIMA" will amount to 100,000 Swiss francs (23,340.00 dollars), payable in cash.

NEW FOREIGN TRADE ACT RESTORES CONTROLS FOR NON-LIBERALIZED ITEMS. A new foreign trade act was passed at the end of last year and became effective on December 1, 1956. It superseded the Austrian Foreign Trade Act expiring at the end of 1955 and the Ministry of Trade regulation, repealed November 30, governing foreign trade control. The new Act adheres to the general principle that no special authorization is required to import or export commodities in general, but that certain goods listed in an annex to the Act will continue to be subject to approval. This applies especially to the small group of goods still non-liberalized. In her trade relations with OEEC countries, Austria has now agreed to a liberalization of imports exceeding 90 per cent of all commodities. During the past few months, she has also substantially increased her trade liberalization policies toward the dollar area.

"PUBLIC SHARES" HELP COVER BUDGETARY EXTRAS.

Ever since the 1956 general elections last spring, the idea of issuing "public shares" to the Austrian people has been under discussion. The proposed share issue has been designed to let the public participate directly in the ownership of nationalized industry and commerce. As a first step, it is now intended to offer, in the form of small denomination shares totalling 300 million schillings, 40 per cent of the stock capital of the two major nationalized banks, the "Creditanstalt-Bankverein" and the "Oesterreichische Laenderbank," i.e. stock with a nominal value of 200 million from the former and with a nominal value of 100 million from the latter institutions. Since both banks also hold considerable reserves, the "public shares" will be issued on a premium basis. The whole transaction is expected to net 350 million schillings. (One dollar equals approximately 25 schillings -- Ed.)

AUSTRIA'S POST-WAR FOREIGN TRADE. Developments in import and export prices and their interrelation, defined as barter terms, are of major importance to payments balances and domestic price structures. The barter terms affecting Austria's foreign trading have deteriorated considerably in comparison with those of the pre-war period. This development is partly attributable to adverse price changes which have been affecting all manufacturing countries. As regards raw materials and foodstuffs, which together constitute the bulk of Austrian imports, the increase in prices over pre-war levels has been much more precipitous than for the manufactured goods which make up most of Austria's exports. This deteriorating price balance has affected the Austrian economy more seriously than that of other European countries as the increase in Austrian export prices since 1937, in terms of dollars, has been less than the rise in export prices recorded in other manufacturing countries.

Before the war, trade with the East European countries and Italy provided Austria with outlets protected from foreign competition by preferential tariffs, bilateral clearing agreements, reduced tariff quotas, etc. She was therefore able to obtain higher export prices for some of her commodities than other exporting countries. At present, however, facing keen competition on the foreign markets, Austria has to adjust its export prices drastically.

Another factor responsible for reduced Austrian export prices in terms of dollars is to be found in the 1949 and 1953 devaluations. Compared with pre-war records, not only export prices but also labor costs have risen less in Austria than in most other manufacturing countries. As a result, the lower prices charged for Austrian exports have increased their competitive power in foreign markets. This advantage, established in 1949, was gradually lost during the subsequent years through price and wage increases, but the second adjustment of the schilling's rate of exchange, in 1953, once again rapidly improved Austria's export position, enabling her to procure an increased share in the world market. Such additional foreign trade enables the country to counteract the loss of her traditional outlets in the East and support the relatively large imports required by high employment which, in turn, necessitates the counterbalance of additional exports.

AUSTRIA AND THE EUROPEAN FREE-TRADE ZONE.

Large economic blocs are in the process of developing around Austria. West European integration has its counterpart in the Eastern Bloc, which has lately been making new efforts to widen economic cooperation. With the support of Soviet Russia's extensive potentialities, the members of the Eastern Bloc are attempting to continue their industrialization in such a manner as to provide for the best possible distribution of labor among themselves. Because of this trend Austria has for a long time, as reported elsewhere in this issue, had to reconcile itself to a relatively smaller percentage of trade with the Eastern states, despite an absolute increase in Eastern trade in line with the over-all increase in the volume of foreign trade. Austria must try to offset this situation by seeking still more trade with the West. Even the recent negotiations in which the Eastern states have shown some tendency to increase their trade with Austria are hardly likely to change this basic situation. The fact is that there is a limit to the possibilities of trading with the East.

Austria then had to ask herself whether a policy of standing aside from European developments was compatible with her interests and future prospects. Equal consideration must be given to the dangers of becoming isolated between the existing and evolving economic blocs and to the obvious advantages that go with large and very large economic areas. It has been noted in Austria that the originally negative attitude of Britain has been transformed into a policy of positive cooperation and contribution of constructive ideas. The prospects of a greatly expanded economic bloc are particularly attractive to the small European nations which heretofore have had to suffer considerably because of the narrow confines of their own economic sphere. Such an expansion could be expected to result in increased productive capacities and sales, an equalization of living standards (which, in view of the still prevailing drop in living standards going from West to East, could only result in the upgrading of the Austrian standard) and, as a result, improved possibilities for effecting rationalization and reducing production costs.

The question has been raised as to the manner in which the gradual reduction of customs duties is to be carried out

during the transition period preceding the full elimination of duties as between the partners in the free-trade zone. Austria would doubtless prefer an across-the-board reduction to be carried out at pre-determined stages. It would be difficult to select individual types of goods to be affected by a reduction, whereas if the reduction were carried out on an across-the-board basis the burden would be distributed equitably over the entire economy. However, if a majority of the participating states were to be in favor of reductions by groups of commodities, it would be preferable to make a grouping on the basis of related industrial units.

Of course, it would be necessary, especially in the case of an across-the-board reduction of tariffs, that provision be made for exceptions, which would be subject to review by international bodies. In fact, there will have to be an emergency provision, subject to very special conditions, under which -- in order to prevent serious disturbances -- every country will be given the opportunity temporarily to exempt seriously affected branches of industry from the tariff reductions until necessary adjustments have been made.

In general, there is a justified trend toward preferring the advantages of free competition in previously closed markets and of the possibilities of penetrating areas formerly protected by high tariffs rather than to fearing the disadvantages of foreign competition on the hitherto protected domestic market. It is true, however, that competition on the domestic market will become intensified. Some observers have correctly noted a parallel between the period of gradually increasing liberalization and the forthcoming period of transition to the European free-trade zone. The extension of the liberalization program was not viewed without fear in Austria, but experience has shown that competition on the domestic market can generally be overcome and that export as well as the entire volume of foreign trade -- and also the degree to which the economy is utilized -- have reached unprecedented levels during recent years, and the European liberalization program is not the least factor in this development.

THE DELIVERY PROGRAM TO THE SOVIET UNION. In order to compensate in terms of value for the Austrian-proposed cancellation of a delivery of 100,000 tons of petroleum, the competent Austrian quarters have approved deliveries in the amount of \$1,714,369.02 during the second year of shipments to the Soviet Union under the State Treaty. The items to be delivered include steel plate, machinery, industrial measuring instruments, electrical apparatus and saw blades.

As reported earlier, this exchange of goods will make it possible for Austria to reduce her shipments of crude oil to Russia by 100,000 tons during the first half of 1957, thereby easing the tight situation with respect to heating fuel.

Orders representing a total value of \$25,175,143.31 have now been placed for goods to be supplied during the second year of deliveries. These orders cover the following items: 100,000 tons of crude oil, 7,000 tons of steel plate, 5,000 tons of galvanized plate, 1,000 tons of rolled copper goods, 1,000 km. of power cable, 1,600 tons of rayon yarn, 2,000 tons of nitro lacquer, rolling-mill equipment, chemical equipment, 300 Diesel compressors, machinery for producing paper and processing wood, electrical measuring instruments, special

trucks, shoes and rayon fabrics.

As of December 15, goods in the amount of \$9,392,188.90 had been delivered to the Soviet Union within the stipulated delivery dates.

REDUCTION IN AUSTRIAN TRADE WITH RUSSIA. The Institute for Economic Research has published a study on Austrian-Soviet economic exchange. The report provides definite evidence that there has been a slackening in trade relations with the East since the conclusion of the State Treaty. In 1955, Austria exported an estimated 2.6 billion schillings' worth of goods to the Soviet Union (One dollar equals approximately 25 schillings - Ed.). The comparable figure for 1956 is expected to amount only to 1.6 billion. The value of imports during 1955 was only about 0.5 billion schillings. The excess of exports over imports, amounting to 2.1 billion schillings, was more than 500 million higher than in 1954. This has been due to the pronounced drop in imports since the signing of the State Treaty, whereas exports maintained their level well into the fall. Only a small part of the export surplus was settled in foreign exchange. Though the Soviet Union had made payments in the amount of 20 million dollars during 1954, its payments during 1955 did not exceed 5 million dollars.

Commercial imports in 1955, amounting to 108 million schillings, far exceeded those of 1954, which amounted to only 36 million, although they represented only 25 per cent of the total goods imported from the Soviet Union. Prior to the signing of the State Treaty, the products shipped to Austria were primarily iron, steel and aluminum, as well as cotton and rye on a smaller scale. On the export side, only 4 per cent was accounted for by commercial deliveries. One-time exports in conjunction with the evacuation of Austria (exclusive of military and private property) are estimated at 14,000 tons, in the amount of 300 million schillings. Thirty-nine per cent of all exports to Russia consisted of petroleum and 37 per cent of machinery, i.e. 28 per cent of the legal exports of Austrian machinery.

The figures for the first six months of 1956 show that the trade level of the occupation period is falling, the decline in export being especially pronounced. In 1955, goods worth 481.7 million schillings were imported from the Soviet Union, while imports during the first half of 1956 amounted to only 71.1 million. Only 22 per cent of the volume provided for in the trade treaty has been reached. In the first 10 months of 1956, imports from the Soviet Union represented an amount of 148.9 million schillings (domestic Russian production) or 168.4 million (goods traded through Russia). By the end of the year, therefore, imports will barely reach the 200-million schilling level.

There are a number of reasons for the decline in imports. Among other things, the Russians do not have good sales representatives in Austria, they do not meet Austrian requirements in point of quality, and they are interested only in large-scale transactions which Austria, with its small market, cannot enter into. The only import items which are drawn on to a satisfactory degree are cotton and coal. Among the cereals, only 10,500 tons of barley have been delivered. The rice and wheat offered do not meet Austrian requirements.

Soviet trucks have not been offered on the market. During the first half of the year, imports, consisted mainly of raw materials (71 per cent) and fodder (25 per cent).

As regards export, it is the former USIA i.e. Russian-administered enterprises which play a dominant part. These plants have taken advantage of their quotas and therefore the development of export has been more favorable than that of import, although this does not reach the level of the previous year. Commercial trade in the amount of 119 million schillings and deliveries under the State Treaty in the amount of 698 million give a total export figure of 817 million, as against 2618 million in the calendar year of 1955. In the first ten months of 1956, commercial exports to the Soviet Union amounted to 271.3 million schillings. As a result of increasing export transactions during recent months, the figure as of the end of the year is expected to be 300 million schillings. Inclusive of deliveries under the State Treaty, exports will amount to 1.6 billion. The events in Hungary will probably have little effect on trade with Russia, although deliveries may be delayed. The fairly smooth course of export trade is explained by the schilling payments of the Soviets, who are now using up their schilling resources which amount to close to one billion.

During 1955, the countries of the Eastern Bloc received nearly 1 billion schillings worth of petroleum on Russian account (204 million schillings' worth under State Treaty shipments and 760 million schillings' worth of uncontrolled shipments). Austria also delivered an additional 2.1 billion schillings' worth of goods. As against a total export figure of 3.1 billion schillings, the import figure was only 2.1 billion. As compared with the same period in 1955, commercial exports to the Eastern countries during the first half of 1956 showed a definite rise, i.e. from 727 to 1175 million schillings (62 per cent).

As a result of the events in Hungary, trade with that country has been practically non-existent during the past two months. As a result, Austria's trade with the East shows a 200 million schilling drop.

Austria's trade relations with the iron-curtain countries is much more extensive than that of most of the other countries of the "Western World." Even disregarding the deliveries under the State Treaty, the planned-economy countries accounted for 16.4 per cent of Austria's exports during the first half of 1956. As a result, Austria's level of trade with these states is the highest, after Finland, Iceland and Turkey. Whereas the trade of Western Europe with the Eastern bloc shows a deficit, Austria (even exclusive of the shipments under the Treaty) is chalking up extensive export surpluses. The structure of import and export in trading with the East is favorable for Austria, since exports consist mainly of finished goods and imports almost exclusively of raw materials.

RUBBER PRODUCT EXPORTS DOUBLED IN FOUR YEARS.

Between 1952 and 1955, Austria's output of rubber products rose from 17,300 tons to 28,900 tons, while the 1955 value of these exports of approximately 4 million dollars was twice the value of the 1952 exports. Future figures for the industry will have to include those for tubeless tires, production of

which was started a year ago and which already account for 30 per cent of the passenger-car tires sold in Austria. West Germany is the major recipient of exports of this item.

BOOM IN AUSTRIAN ALUMINUM PRODUCTION. Austria's major crude aluminum producer, the "Vereinigte Aluminiumwerke AG" (United Aluminum Works, Inc.) in Braunau, with its present total staff of approximately 2,000, is expected to increase this year's production to approximately 52,000 tons of crude aluminum. Of this amount, 32,000 tons are slated for the domestic market and about 20,000 tons for export. Total production in 1955 was 50,380 tons, 19,016 tons of which were exported. The major customers for Austrian aluminum, listed in the order of their purchasing volume, are West Germany, Belgium, Switzerland, Italy, Poland, The Netherlands, United States, Finland, Colombia and India.

During the present year there has been a further increase in the gap between domestic price, unchanged since August, and the export price. Thanks to favorable export prices, it was possible to offset increased production costs and even to use expensive winter-generated power for the output of aluminum to be exported. To be sure, these unusual export prices have been backsliding, making it necessary even at this stage to announce that the more expensive winter power program will be enforced.

Up to the end of November 1956, the total output of the plant was disposed of and during December, as well as in part of the first quarter of 1957, it is expected to be utilized at 80% of capacity. This year's consumption of electric power will exceed the billion-KWH level.

The aluminum plant at Lend which produced pure aluminum and pure steel aluminum as well as aluminum alloys in the form of pigs, twin shapes, sheet ingots, round bolts and wire ingots, this year utilized four fifth of its industrial capacity of 9,000 tons. Whereas there was a downward trend in domestic demand as compared with 1955, the development of export business continued favorable and shipments to Switzerland, West Germany, Belgium and the United States exceeded last year's level.

The price situation at the Lend plant is likewise satisfactory since, in spite of substantial increases in costs, domestic prices have remained unchanged and are currently around 20% lower than the world market level. The Lend plant employs approximately 450 workers and has an annual power consumption of 200 million KWH.

STYRIAN TEST STATION FOR HYDROELECTRIC-POWER ENGINES LARGEST IN EUROPE.

The large test station for hydroelectric-power engines erected near Graz and Inaugurated last November has been designed in accordance with the latest technical standards and is presumed to be the largest institution of its kind in Europe. The completely up-to-date facilities at the station provide Austria's power machinery industry with equipment for carrying out all types of the pre-experimental trials which are indispensable in the development of power-generating engines. The installation's most modern technical equipment and precision measuring instruments -- some of them developed especially for the new center -- offers facilities for large-scale tests on new models and examination of machine parts.

TAPE RECORDER EXPORTS RISE. Trends in the export of Austrian tape recorders have been showing an extremely favorable course during the recent past. Compared with the 18,000 sets exported in 1955, the export totals up to the end of October 1956 alone reached a new high of 25,250 units. The total for the year, moreover, is expected to reach 30,000. Foreign purchasers appreciate the quality of reproduction provided by the Austrian units; this is attributed to the extreme care accorded the making of pole tips which are responsible for proper magnetization and reproduction. The superior quality of these pole tips has made it possible to reduce the tape speed without impairing the quality of reproduction. Units manufactured for private use are mostly provided with a tape speed of $3\frac{3}{4}$ inches per second; this can be reduced to $1\frac{3}{4}$ inches per second for recording speech.

MOTORBICYCLE EXPORTS RISE, BICYCLE AND TRACTOR EXPORTS DECLINE. The export activity of the Austrian vehicle industry registered a marked decline during 1956. The saturation of markets that developed in many countries led to a halting of sales affecting not only Austrian exporters but also their foreign competitors. The only exception to this trend was in the case of motorbicycles, sales of which exhibited a strong increase not only domestically but also, and in particular, in foreign countries. Between September 1955 and September 1956, exports rose 104 per cent, although in recent months the rate of increase in exports has tapered off considerably. From June to September 1956, there was an increase of only 2.4 per cent.

In the case of bicycles without motors, export activity between June and September exhibited a 50 per cent seasonal increase, but compared with September 1955 the figures were 42 per cent lower. Compared with the figures for June, exports of motor scooters dropped 33 per cent, but compared with September 1955 they had risen more than 100 per cent. Exports of tractors during September 1956 were 83 per cent lower than in June 1956 and 38 per cent lower than in September 1955.

MECHANIZATION OF AUSTRIAN AGRICULTURE PROCEEDS APACE. In the past year, the value represented by Austrian farm and forest production showed a relatively moderate increase from 25,939 to 27,908 million schillings. There was a much greater rise in the rate of outlay by farmers for the purchase of machinery and other industrial products. As a result of the trend toward mechanization, the number of tractors has risen from the pre-war figure of 1,640 to 70,000. The number of electric motors has risen from 1,160 to 15,300. In 1955, operational expenditures by agricultural and forestry enterprises amounted to 13.4 billion schillings (the Austrian schilling is currently quoted at approximately 25 to the dollar).

The extensive investment requirements of agriculture have given rise to difficult financing problems, among which the provision of credit is a matter of key importance. It has been found that the granting of special loans to farmers has caused a spurt in the volume of orders placed with industry by agriculture. Sales of tractors, which were previously

halting, exhibited a rise as soon as the loan program went into effect.

The fact that agriculture's share of the social product is not overly favorable is reflected in the statistics showing that their part of the national income is only 15 per cent, although they constitute 22 per cent of the population, 32 per cent of all wage-earners and although they account for 38 per cent of the work-hours of the entire economy. This unfavorable ratio for the farmers is not a specific Austrian phenomenon but one which is also found in other countries.

VIENNA POPULATION MAY DROP TO ONE MILLION INHABITANTS IN FIFTY YEARS. Twenty per cent of all Vienna marriages are childless and 37 per cent of the city's married couples have only one child. Even a family with three children is considered as a large family, although in 80 per cent of the marriages the number of children is below this figure. If this trend continues, with only half the number of children being born as would be necessary to maintain the level of the population, within 50 years Vienna will have only one million inhabitants.

CULTURE AND SCIENCE

VIENNA CULTURAL SUBSIDIES INCREASED. From its total 1957 budget of 4,096 million schillings, the City of Vienna has earmarked 295 million for cultural and educational purposes. This figure is an increase of 74 million schillings over the 1956 level, the total budget increase over last year being 500 million. More than 40 million schillings will be appropriated to subsidize cultural activities alone; this represents a new departure for the City Government. Further allocations will include 8.4 million schillings for music teaching institutions; 8.7 million for city libraries and 2 million for the Hetzendorf fashion designers' school. Budgetary entries for elementary schools, junior high schools and special schools in Vienna total 153 million schillings, or 34 million more than in 1956. These figures do not include expenditures for the numerous Federal institutions in Vienna, such as the Federal Theaters, Museums, Universities and High Schools. (Approximately 25 Austrian Schillings equal one dollar - Ed.).

MORE STUDENTS, FEWER GRADUATIONS AT VIENNA UNIVERSITY. For the 1955-56 school year, a total of 6,699 students were registered at Vienna University during the winter semester and 6,421 in the summer semester. Of these, 6,001 of the winter and 5,790 of the summer registrants were regular students. These figures reflect an increase of approximately 500 students for each semester, as compared with the 1954-55 session. In the last school year, 638 students were awarded their degrees and 57 pharmacy students their diplomas. The number of graduating students was lower than in the preceding year.

The rise in the number of students and the decrease in the number of graduations as compared with the 1954-55 school year is explained by the University authorities as a consequence of increased interest among secondary school graduates in pursuing university studies.

AUSTRIAN SALK VACCINE WILL BE INEXPENSIVE. By next spring, the Salk anti-polio vaccine will be available in Austria as a domestic product. It will cost only about 80 cents per injection, as against the much higher price of the Salk vaccine hitherto imported. This low cost will make it possible for all sections of the population to have their children inoculated against infantile paralysis.

AUSTRIAN PERFORMERS' DRIVE TO AID HUNGARIAN COLLEAGUES. Under the program known for 7 years by the slogan "Kuenstler helfen Kuenstlern" (Artists Aid Artists), representatives of the Austrian theatre have started a special drive which they name "Ungarnhilfe fuer Buehnenkuenstler" (Aid for Hungarian Theatrical Performers) to help their colleagues who have fled Hungary to reestablish themselves. Up to mid-December, some 200 such refugees had arrived in Austria.

ROCKEFELLER FOUNDATION ALLOCATES FUNDS FOR HUNGARIAN STUDENTS IN AUSTRIA. The Rockefeller Foundation has allocated \$455,000 to Austrian Universities for study and maintenance grants to Hungarian students and advanced scholars. Of this amount, \$370,000 will be for students, \$47,000 for senior Hungarian scholars who wish to continue their research while seeking more permanent positions and \$37,000 for administrative and other expenses in connection with the program.

"In spite of offers to find places for Hungarian students in many countries," said Mr. Rusk, President of the Foundation who had gone to Vienna for an on-the-spot inquiry, "it is likely that the largest single group will wish to remain in Austrian institutions of higher learning. Since the Austrian Government and people have already borne the major portion of the costs of receiving and providing for Hungarian refugees, The Rockefeller Foundation will give special attention to refugee students and scholars in Austria. The funds will be immediately available."

ROMAN VILLAGE EXCAVATED IN TYROL; COINS FOUND IN CARINTHIA. The remains of a Rhaetian village were recently unearthed between Volders and Wattens (Tyrol) in the Inn Valley. The village appears to have been inhabited from the 3rd century B.C. until the 4th century A.D. The discovery, together with that of a Bronze Age graveyard near Volders, is of such importance that plans have been made to preserve the Roman village as an open-air museum. Excavations on the Lampersberg near Spittal (Carinthia) last fall yielded a large number of silver coins which were identified as denarii of the Roman Republic dating between the 2nd and 1st centuries B.C. Their discovery constitutes new evidence of the close relations between Rome and the Celtic-Illyrian population of Carinthia, which existed long before the incorporation of the Noricum province into the Roman Empire.

INTERNATIONAL FASHION WEEK HELD IN VIENNA. The Fifth Vienna Ladies Fashion Week was held in Vienna from January 7th to 12th. Leading Austrian and foreign dress designers and manufacturers participated in the show.



The Engel - family in action.

THE "ENGELKINDER" TO APPEAR IN THE U.S. The "Engelkinder" is a unique musical family hailing from a small mountain village near Innsbruck in Tyrol, Austria. They are a representative of the old continental tradition of music in the home. The group came into being when the village school needed someone to perform at its graduation exercises. Thus the "Engle children" -- at first reluctant to appear in public -- started their career. Within a few years it has taken them from the Tyrol to Vienna and the whole of Austria, and from there to Germany, Switzerland, Denmark Sweden-- in fact through almost the entire European continent.

The seven children play more than 120 instruments between them. They play them not as a result of enforced practice, but just as other children play with dolls and trains -- simply because these instruments were around the nursery and one child taught the other. Their fame has not spoiled them; they are normal, happy children.

For the U.S. tour, 27 performances have been scheduled in 16 states beginning on February 24 at Detroit and ending on April 12 at Waterford, Michigan. An appearance in New York State has been tentatively set for Geneva on April 8.

VIENNESE BALL TO BE HELD HERE FEB. 1. The second annual Viennese Ball will be held on Feb. 1 in New York in the Grand Ballroom of the Waldorf Astoria.

The event, which will pay tribute to the memory of Johann Strauss, the waltz king, will benefit the Margit Bokor Fund of Columbia University.

The United States Austrian Chamber of Commerce is sponsoring the ball. Karl Gruber, Austrian Ambassador to the United States, and Mrs. Gruber have accepted honorary chairmanship of the ball. Other honorary committee posts have been accepted by Franz Matsch, Austrian Ambassador to the United Nations, and Mrs. Matsch, and Eduard Schiller, Austrian Consul General here, and Mrs. Schiller.

VIENNA COLLEGE OF VETERINARY MEDICINE GETS MODERN EQUIPMENT. The Vienna College of Veterinary Medicine, one of the three oldest such colleges in the world, has now established a research center for electron microscopy.

CONGRESSES AND MEETINGS IN AUSTRIA DURING 1957

| | | |
|-------------------|--------------------------|---|
| Jan. 26 - Feb. 2 | Zell am See, Salzburg | International Meeting of Sports Physicians |
| Mar. 3 - Mar. 17 | Vienna | Vienna International Spring Fair |
| Mar. 10 - Mar. 23 | Bad Gastein, Salzburg | Post-Graduate Course in Practical Medicine |
| Spring | Vienna | Plenary meeting, Perm. Inter- national Commission for Acetylene and Autogenous Welding |
| Spring | Vienna | 2nd Film Festival, International Institute for Industrial Films |
| Apr. 26 - Apr. 28 | Baden, near Vienna | 7th Meeting for Balneotherapy, Climatotherapy and Rehabili- tation Therapy |
| Apr. 27 - May 5 | Graz | Graz South-East Spring Fair |

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| May | Vienna | International Congress of Jurists |
| May | Vienna | Annual International Congress of the European Association for Films and Television |
| May 6 - May 25 | Bad Gastein | 3rd Post-Graduate Congress in Balneology |
| Mid-May | Vienna | International Meeting of Indus- trial Protection Companies |
| May 19 - May 23 | Vienna | Congress for Gynecology and Obstetrics |
| May 24 - May 25 | Vienna | 4th Congress of International Newspaper Clipping Bureaus |
| May 25 - May 28 | Vienna | International Congress of the International Society for Acu- puncture |

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| May 30 - June 2 | Vienna | International Congress of Workers' Sports Associations |
| May 31 - June 2 | Vienna | Meeting, Austrian Scientific Association for Social Medicine |
| The End of May | Gmunden, Upper Austria | 1957 Austrian Highway Meeting |
| June 6 - June 12 | Vienna | 12th World Congress "Jeuneses Musicales." |
| June 13 - June 15 | Vienna | Meeting of the Austrian, Swiss and German Society for Anes- thesiology |
| June 17 - June 20 | Vienna | 11th International Congress of Cosmeticians |
| July 17 - July 24 | Vienna, Linz, Salzburg, Innsbruck | 30th International Working Session for Economic Expansion |
| July 22 - July 24 | Innsbruck | Meeting of the International Society for Business Education |
| July | Steyr, Upper Austria | Industrial and Trade Exhibitions |
| August | Ried im Inn- kreis, Upper Austria | Ried Folk Festival, Agriculture, Trade and Industry Fair |
| Aug. 2 - Aug. 12 | Dornbirn, Vorarlberg | Dornbirn Export and Sample Fair |
| Aug. 8 - Aug. 18 | Klagenfurt, Carinthia | Special Textile Fair |
| Aug. 10 - Aug. 18 | Wiener Neu- stadt, Lower Austria | Carinthian Fair - Austrian Wood Fair |
| August | Mariazell, Styria | Wiener Neustadt Exhibition; Indus- trial, Trade, Craft and Agricultural Fair |
| Sept. 29 - Oct. 3 | Vienna | International PAX Christi Congress |
| Sept. 8 - Sept. 15 | Vienna | 5th World Congress, Catholic Press |
| Sept. 21 - Sept. 29 | Innsbruck | Vienna International Spring Fair |
| Sept. 29 - Oct. 6 | Graz | 25th Innsbruck Fair for Tourism and Agriculture |
| Oct. 10 - Oct. 12 1957 | Vienna Innsbruck | Graz South-East Fall Fair |
| 1957 | Vienna | International Festival Meeting General Meeting of the International Sport Press Association |
| | | International Congress of Auto- mobile Dealers |

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